

**COMMISSION DIRECTIVE**

ADMINISTRATIVE MATTERS	<input type="checkbox"/>	DATE	<u><b>April 18, 2007</b></u>
MOTOR CARRIER MATTERS	<input type="checkbox"/>	DOCKET NO.	<u><b>2006-99-C</b></u> <u><b>2005-204-C</b></u>
UTILITIES MATTERS	<input checked="" type="checkbox"/>		<u></u>

**SUBJECT:**

DOCKET NO. 2006-99-C – Petition of Bluffton Telephone Company and Hargray Telephone Company to Implement Extended Area Service (EAS)

– AND-

DOCKET NO. 2005-204-C – Request for Extended Calling Area from Bluffton/Sun City Hilton Head Area to Hilton Head

Discuss this matter with the Commission.

**COMMISSION ACTION:**

We have before us a customer request for an extended calling area from Bluffton/Sun City Area to Hilton Head as well as a request from Bluffton Telephone Company (Bluffton) and Hargray Telephone Company (Hargray) to implement extended area service (EAS) between Bluffton Telephone Company and Hargray Telephone Company.

The companies, both of which are subsidiaries of Hargray Communications, Inc. have presented a plan which will replace both the existing Measured Extended Area Service, or "MEAS plan," and the existing Extended Flat Rate Service plan.

The existing Measured Extended Area Service plan charges \$0.04 per minute rate for extended area calls, and the Extended Flat Rate Service Plan charges \$10.00 per month to residential customers, and \$20.00 per month to business customers for unlimited calls in the extended area.

These charges would be replaced with a mandatory charge of \$2.25 per month for residential customers and \$4.50 per month for business customers. Hargray Long Distance would also reduce the rate for its unlimited nationwide calling plan from \$24.99 to \$22.74 per month.

Hargray has estimated that, based on current calling patterns, 63% of residential customers and 52% of its business customers would either experience a decrease, or at least no increase, in their bills for extended area calling. The remaining customers would incur a small net increase in their bills.

Based on information presented at the hearing, Hargray and Bluffton provided notice to customers in both companies' service areas of the proposed plans and received more customer support than opposition.

The South Carolina Cable Television Association (SCCTA) has intervened in this case, and made several arguments in opposition to the proposed plan.

The SCCTA has argued that the Commission violated precedent by considering this request without customer balloting in the affected exchange areas. However, there are no commission regulations concerning balloting or cost study methodology in EAS cases. It also should be noted that most of the customer response to this plan was positive.

The SCCTA also argued that a joint cost study was improper, and that a cost study should be conducted for each entity. However, since both Bluffton and Hargray are owned by the same parent company, conducting a single cost study was a reasonable decision, and does not compromise the integrity of the study.

The SCCTA also objects to an EAS plan being implemented by carriers that receive support from the Universal Service Fund, arguing the state USF was intended to support basic local service only, that the proposed EAS plan constitutes bundling of basic local service and toll service, and that the USF should not support this type of offering.

The Commission has not previously distinguished between EAS and non-EAS lines in granting high cost support from the state USF, and it should not do so in this docket. This matter would be more properly considered in the USF Docket No. 1997-239-C.

The proposed EAS plan is fair and equitable and benefits most customers in the Bluffton and Hargray Service Areas.

Therefore, the Commission rules that:

1. the EAS plan proposed by Bluffton Telephone Company and Hargray Telephone Company be approved, with an EAS charge of \$2.25 per line per month for residential customers and \$4.50 per line per month for business customers, and
2. the MEAS plan and the "Flat Rate Plan" be discontinued, and
3. the SCCTA's Motion to Dismiss as a matter of law be denied.

PRESIDING	<u>Hamilton</u>				Session:	Regular
	MOTION	YES	NO	OTHER	Time of Session	<u>2:30 PM</u>
CLYBURN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		APPROVED	<u>                    </u>
FLEMING	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		APPROVED STC 30 DAYS	<u>                    </u>
HAMILTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		ACCEPTED FOR FILING	<u>                    </u>
HOWARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		DENIED	<u>                    </u>
MITCHELL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		AMENDED	<u>                    </u>
MOSELEY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		TRANSFERRED	<u>                    </u>
WRIGHT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		SUSPENDED	<u>                    </u>
					CANCELED	<u>                    </u>
					SET FOR HEARING	<u>                    </u>
					ADVISED	<u>                    </u>
					CARRIED OVER	<u>                    </u>
					RECORDED BY	<u>SCHMIEDING</u>